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SUBJECT: ISRAEL MEDIA REACTION

SUBJECTS COVERED IN THIS REPORT:

Mideast

Key stories in the media:

On Sunday Ha'aretz reported that two friendly Arab countries have told Israel that Syria is not planning to attack in the coming months. The messages were relayed by senior officials and are based

in part on talks with the officials' Syrian counterparts. Leading media cited Syrian-Saudi tensions about Saudi Arabia's role in the Middle East.

On Sunday leading media cited denial by sources in PM Olmert's bureau that Israel plans to take 110 Palestinian militants in the West Bank off its wanted list.

Maariv reported That PA Chairman [President] Mahmoud Abbas will attend a business conference in Tel Aviv in October. Maariv reported that President Shimon Peres has met with former Palestinian PM Ahmed Qurei (Abu Ala). Maariv reported that cabinet minister Haim Ramon is PM Olmert's candidate to lead negotiations with the Palestinians.

The Jerusalem Post reported that on Sunday the cabinet agreed to support the extension of UN Security Council Resolution 1701 governing UNIFIL's operations in southern Lebanon, even though it was clear that the extended mandate will not include a mechanism for the implementation of the arms embargo from Syria into Lebanon.

Over the weekend major media quoted Iranian President Mahmoud Ahmadinejad as saying on Saturday that Israel was the standard bearer of Satan and that it would soon fall apart.

Over the weekend media quoted the IDF as saying that on Saturday Israeli troops shot dead one Palestinian and detained two others for questioning after the men allegedly tried to lay a bomb next to the Gaza border fence.

Leading media reported that on Sunday Gaza's main power plant shut down operations after it said it had depleted its fuel reserves, despite a pledge from Israel to resume deliveries that had been halted late last week.

The Jerusalem Post quoted a senior PA security official in Ramallah as saying that the PA security forces have failed to thwart Hamas's efforts to create new armed cells in the West Bank. Citing Reuters, Ha'aretz quoted the State Department as saying on Sunday that US security officials will soon begin training the Palestinian presidential guard in an effort to support Abbas's government.

Ha'aretz reported that thousands of students in communities near the Gaza Strip will begin the school year in another 12 days in classrooms that are not fully protected against rocket attacks, despite the High Court of Justice's order that the government reinforce every classroom in rocket range of Gaza by September 1.

The Jerusalem Post reported that the IDF intends to import produce from the Gaza Strip on a trial basis ahead of the upcoming "shmita" (sabbatical) year, when Jewish farmers are forbidden by Jewish law to harvest the land.

On Sunday The Jerusalem Post quoted Sheikh Raed Salah, head of the northern branch of Israel's Islamic Movement, as saying on Saturday that those who disagree with Israeli policy risk being murdered.

On Sunday Maariv reported that on Saturday combat planes were scrambled from IAF bases all over Israel following the hijacking of a Turkish airplane. On Sunday, in another development, Yediot reported that there has been a wave of negative reports in Turkey about the security authorities' humiliating treatment of Turkish tourists at Ben-Gurion Airport.

Maariv reported that the US Army has decided to resume the Nautilus project and that it will sign contracts next week with Boeing and Northrop-Grumman. The newspaper, which noted that the Nautilus is supposed to offer protection against Qassam rockets, reported that Israel is following up on the US announcement, but that it is certain that Rafael, Israel's Armaments Development Authority, will bring its Iron Dome Project to maturity in two years. The Jerusalem Post reported that in order to intercept Syrian missiles, the IAF is deliberating whether to buy an improved model of the US-made Patriot missile defense system.

Makor Rishon-Hatzofe reported that the cost of digging a tunnel between the Sinai Peninsula and the Gaza Strip is USD 200,000 and that the passage of a terrorist through the border costs around USD

10,000. The figures were given by a group of smugglers.

Ha'aretz reported that in an effort to bolster Israeli hitchhikers' security in the West Bank, the IDF has decided to install electronic surveillance and other equipment at at least 10 major stops frequented by settlers along Road 60, which links many of the major settlements. The issue of securing Israelis in the territories is one that has consistently troubled the security forces, which recognize that civilians, lured into taking risks by the relative calm in the West Bank, are "soft targets" for militants.

Ha'aretz reported that on Sunday Israel deported 50 Africans to Egypt, for the first time since PM Ehud Olmert obtained Egyptian President Hosni Mubarak's consent to such a move last month. According to the IDF, most of the deportees were from Sudan's war-torn Darfur region. Israel Radio quoted senior officials in Olmert's bureau as saying that on Sunday he held a phone conversation with Mubarak in which the two agreed that Israel would continue to return infiltrators to Egypt. The radio quoted Egyptian FM Ahmed Ali Abu al-Gheit as saying that his country has agreed to admit 48 refugees returned from Israel on humanitarian grounds. However, Abu al-Gheit stressed that this would not change Egypt's policy. Leading media reported that Israeli activists have condemned the expulsion of the 48 refugees.

Major media (lead stories in Yediot and Maariv) reported that on Sunday the cabinet voted unanimously to create a national service program for youth who do not serve in the army. The resolution will mainly affect Arabs, who are not drafted, and well as ultra-Orthodox yeshiva students whose religious duties exempt them from military service.

All media reported that on Sunday PM Olmert agreed, in his meeting with representatives of Holocaust survivors, to allocate 100 million shekels (around USD 23.6 million) next year for medical and nursing-care benefits to survivors living in Israel. In addition, he said they would enjoy municipal tax discounts, an exemption from the television tax, and 30 million shekels in vacation and convalescence benefits. However, Olmert refused to grant benefits to those who were not in camps or ghettos.

All media reported that PM Ehud Olmert plans to reorganize the institutions dealing with immigration. Leading media reported that the state will grant more important budgets to independent immigration organizations.

Leading media reported that today the inter-ministerial committee on conversion will present its report to PM Olmert. The overall process would come under the supervision of Sephardi Chief Rabbi Shlomo Amar.

Yediot and other media reported that Bank of Israel Governor Stanley Fischer is considering lowering interest rates on loans taken by financial banks from the Bank of Israel. The media said that such a move would follow US practice.

11. Mideast:

Summary:

Columnist and former IDF Intelligence chief Shlomo Gazit wrote in the popular, pluralist Maariv: "Israel's steps [vis-a-vis Syria] are determined more than anything by domestic politics, and in particular by the Prime Minister's attempt to portray the Second Lebanon [War] as an unequivocal strategic victory."

The nationalist, Orthodox Makor Rishon-Hatzofe editorialized: "In the present circumstances, neither side is prepared to pledge how long [the cease-fire] will hold -- certainly not Syria, whose policy is eventually determined in Tehran."

The conservative, independent Jerusalem Post editorialized: "It is not the US that should fear jeopardizing its 'friendship' with Russia, but Russia that should be concerned about losing the

benefits of its current membership in the West."

The independent, left-leaning Ha'aretz editorialized: "The goal of the national-religious NGOs in purchasing property in East Jerusalem is ideological and political, but that does not justify breaking the law or the standards of good government."

Senior op-ed writer Akiva Eldar commented in Ha'aretz: "Receiving the prestigious keys to the holy site will bolster the pragmatists among the Palestinians, and will make it easier for them to relinquish their wish to use the keys to homes they left behind in Jaffa."

Block Quotes:

I. "Danger of Unnecessary War"

Columnist and former IDF Intelligence chief Shlomo Gazit wrote in the popular, pluralist Maariv (8/20): "For the past year, since the end of the Second Lebanon War, we are threatened by a new war that could break out on the Lebanese border or the Golan Heights.... Indeed, Syria does not seek war. The regime in Damascus is well aware of the balance of power and the great damage that Israel could cause, particularly since such a war would break out with Damascus isolated both in the inter-Arab and international arenas. However, Syria is determined to regain the Golan Heights.... Israel's steps are determined more than anything by domestic politics, and in particular by the Prime Minister's attempt to portray the Second Lebanon [War] as an unequivocal strategic victory. Israel is aware of the price it will have to pay in exchange for a peace agreement with Damascus, but is not willing to pay it. Deep down inside, there is the hope that sooner or later Damascus will accept the loss of the Golan, just as it accepted the loss of the Alexandretta region to the Turks. And if this is the case, why hurry?.... So far it has been a rational analysis. However, this cannot remove the element of mutual suspicion, the gnawing fear on each side -- 'and what if we are wrong in our assessment?' Here come 'reassuring' declarations in Damascus and Jerusalem, but these not only do not remove the suspicion, they even enhance it -- and perhaps they are no more than a veil intended for concealment and deceit? Another important point, of which it would appear that both sides are insufficiently aware: the extremely different nature of the two regimes and the two societies in Syria and Israel.... What is the explanation for the Prime Minister's publicized tour of the border line? How should one understand the Defense Minister's statement that 'Israel does not seek war against Syria today' -- but does it 'tomorrow'? And when will this 'tomorrow' come? I believe that both sides are sincere in what they are saying. Nevertheless, we should remember that as the prophet said, 'out of the north the evil shall break forth' [Jeremiah 1:14]."

II. "Damascus' Signals Are Not Soothing"

The nationalist, Orthodox Makor Rishon-Hatzofe editorialized (8/20): "The signals emanating from Damascus that Syria does not intend to attack Israel are not reassuring. Continued tension in the region has become a fact. The Syrian ruler has not backtracked from his war threats.... It is well known that Russia is conducting a two-faced policy. On the one hand, it allegedly rules out Russian involvement in Syria; on the other hand, it does not prevent the supply of arms ... thus causing a bellicose flare-up. Thus, it is

hard for Moscow to stop the war move, despite the Kremlin's peaceful declarations. The war of statements is continuing without an end in sight. Both signs depend on a temporary cease-fire whose length is difficult to determine. In the present circumstances, neither side is prepared to pledge how long it will hold -- certainly not Syria, whose policy is eventually determined in Tehran."

III. "Pressure Russia"

The conservative, independent Jerusalem Post editorialized (8/20): "At the same moment when even Arab states are trying to reassure Israel that Syria has no plans to attack, Damascus is taking delivery of advanced Russian SA-22 E anti-aircraft missiles and artillery. According to Arab press reports, this arms deal, which cost some USD 900 million, is being financed by Iran.... While

President George W. Bush has often been accused of going it alone diplomatically, this certainly has not been the pattern with Russia.

If anything, Bush is to be criticized for putting too much confidence in his 'friendship' with President Vladimir Putin. This sort of soft touch has evidently reached its limits, as Putin has taken advantage of US reluctance to trim back its relations with Russia in any way, even though the US could threaten to withhold billions of dollars worth of space cooperation and other bilateral benefits to Russia.... Western willingness to impose consequences on Russia for its open support of rogue regimes will be a key litmus test for all nations that are making judgments regarding which side is serious enough to win. It is not the US that should fear jeopardizing its 'friendship' with Russia, but Russia that should be concerned about losing the benefits of its current membership in the West."

IV. "Land Grab in East Jerusalem"

The independent, left-leaning Ha'aretz editorialized (8/20): "It is difficult to escape the sense that the Israel Lands Administration [ILA], a governmental body, worked hand in glove with the settlers' non-profit organization Ateret Cohanim to take control of the 30-dunam (7.5-acre) plot in East Jerusalem known as Kerem Hamufti..... Since the 1980s, a group of yeshiva students with religious-nationalist views along the lines of Gush Emunim has conducted a campaign to acquire houses and land for Jewish settlement in the Arab neighborhoods of the eastern part of the capital.... The goal of the national-religious NGOs in purchasing property in East Jerusalem is ideological and political, but that does not justify breaking the law or the standards of good government. Even though many years have passed since the publication of the [1992] Klugman Report [about the improper funding received by NGOs], it would appear that little has been done to right the wrongs it documented. Now, too, it seems that supposedly law-abiding governmental bodies -- in this case the ILA -- continue to operate like agents of these NGOs, waging for them the war of taking over Arab property in an underhanded manner. In other words, the practice of placing the settlers above the law, which has been discussed at length in the context of the West Bank, has reached east Jerusalem."

IV. "Give Them the Temple Mount"

Senior op-ed writer Akiva Eldar commented in Ha'aretz (8/20): "The international summit being organized by the Bush administration is Abbas's last throw of the dice. In the zero-sum game between him and Hamas, the loss of the bet will mean a victory for the camp that rejects a two-state solution. The only way that Israel and the United States can affect the struggle in the Palestinian camp is to take away the main contentious elements preoccupying the religious extremists -- the Islamic holy sites in Jerusalem and the problem of the 1948 refugees -- and to hand them over to the moderate secularists. If Abbas emerges from the negotiations without sovereignty over the Temple Mount and without Israeli recognition of the issue of the refugees as proposed by the Arab League (an agreed solution on the basis of United Nations General Assembly Resolution 194) -- he might as well stay home.... The continued dispute over the excavations the Palestinians are carrying out in the Temple Mount complex suggests that transferring sovereignty to them is no more than a virtual concession for Israel. An agreement that will include UNESCO supervision over the excavations and free access to the Israelis will improve the situation vis-a-vis this sensitive area. Receiving the prestigious keys to the holy site will bolster the pragmatists among the Palestinians, and will make it easier for them to relinquish their wish to use the keys to homes they left behind in Jaffa."

JONES